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If you have sold or otherwise transferred all of your registered holding of Ordinary Shares, please forward this document and the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, such documents must not be mailed, transmitted or distributed, in whole or in part, in, into or from any Restricted Jurisdiction. If you have sold or otherwise transferred part of your holding of Ordinary Shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document.

This document does not constitute a prospectus for the purposes of the Prospectus Rules and has not been, and will not be, approved by or filed with the FSA nor does it comprise an admission document prepared in accordance with the AIM Rules. A copy of this document is available on the Company's website at www.ilika.com.

Application will be made to the London Stock Exchange for the Placing Shares and Subscription Shares to be admitted to trading on AIM and it is anticipated that dealings will commence on or around 23 April 2012.

Ilika plc

(Incorporated in England and Wales under the Companies Act 2006 with registered no. 7187804)

Proposed Placing and Subscription of 8,909,074 new Ordinary Shares of 1 pence each at the Placing Price of 55 pence per Ordinary Share

Notice of General Meeting

Nomura Code Securities Limited

Nominated Adviser and Broker

The attention of existing Shareholders is drawn to the letter from the Chairman of the Company which is set out in this document and which recommends you to vote in favour of the resolutions to be proposed at the General Meeting referred to below. This document should be read in its entirety.

This document does not constitute or form part of any offer or invitation to sell or issue or a solicitation of any offer to acquire, purchase or subscribe for shares in any jurisdiction. This document must not be distributed to a US person or within or into the United States, Canada, Japan, South Africa, the Republic of Ireland or Australia. The Placing Shares and Subscription Shares have not and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and, may not be offered or sold or subscribed, directly or indirectly, within the United States, Canada, Japan, South Africa, the Republic of Ireland or Australia or to or by any US Person (as such term is defined in Regulation S promulgated under the Securities Act) or any national, resident or citizen of Canada, Japan, South Africa, the Republic of Ireland or Australia or any corporation, partnership or other entity created or organised under the laws thereof.

Nomura Code Securities Limited, which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for Ilika plc in relation to the Placing and Subscription. Nomura Code Securities Limited is not acting for, and will not be responsible to, any person other than Ilika plc for providing the protections afforded to clients of Nomura Code Securities Limited or for advising any other person on the contents of this document or any transaction or arrangement referred to herein.

Notice of a general meeting of the Company to be held at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS at 10.00 a.m. on 20 April 2012 is set out at the end of this document. Shareholders will find the Form of Proxy for use at the General Meeting accompanying this document. The Form of Proxy should be completed and returned to the Company's registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, using the enclosed reply-paid envelope, or (during normal business hours only) by hand to Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 10.00 a.m. on 18 April 2012. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the Placing and Subscription and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, or Nomura Code Securities Limited or their respective directors.

The contents of the Company's website or any website directly or indirectly linked to the Company's website do not form part of this document.

The Placing and Subscription Shares will, upon Admission, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission. The Placing and Subscription Shares are not being made available to the public in conjunction with the Placing and Subscription and the information concerning the proposed Placing and Subscription set out in this document is being provided for information purposes only to existing Shareholders.

The distribution of this document and the offer of the Placing and Subscription Shares in certain jurisdictions may be restricted by law. Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons outside of the UK into whose possession this document comes should inform themselves about and observe any such restrictions.

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EXPECTED TIMETABLE FOR PLACING AND SUBSCRIPTION

2012

Date of this document and posting of the Circular	4 April
Latest time and date for receipt of Form of Proxy	10.00 a.m. on 18 April
General Meeting	10.00 a.m. on 20 April
Admission and commencement of dealings on AIM of the Placing Shares and the Subscription Shares	23 April
CREST accounts to be credited in respect of Placing Shares	23 April
Despatch of definitive share certificates (where applicable)	1 May

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a Regulatory Information Service.

References to time in this document are to London time unless otherwise stated.

The Company's SEDOL code is B608Z99 and ISIN code is GB00B608Z994.

PLACING AND SUBSCRIPTION STATISTICS

Placing Price	55 pence
Number of Ordinary Shares in issue at the date of this document	36,573,359
Number of new Ordinary Shares to be issued pursuant to the Placing	8,714,531
Number of new Ordinary Shares to be issued pursuant to the Subscription	194,543
Enlarged Issued Share Capital following the Placing and Subscription	45,482,433
Gross proceeds of the Placing and Subscription	£4.9 million
Approximate net proceeds of the Placing and Subscription	£4.6 million

DIRECTORS, SECRETARY AND ADVISERS

Directors	Jack Byron Boyer (<i>Non-Executive Chairman</i>) Graeme Purdy (<i>Chief Executive Officer</i>) Stephen John Boydell (<i>Finance Director</i>) Professor Brian Elliott Hayden (<i>Chief Scientific Officer</i>) Clare Mary Joan Spottiswoode (<i>Non-Executive Director</i>) Dr Werner Braun (<i>Non-Executive Director</i>) Professor Sir William Arnot Wakeham (<i>Non-Executive Director</i>)
Company secretary and registered office	Stephen Boydell Kenneth Dibben House Enterprise Road University of Southampton Science Park Chilworth, Southampton SO16 7NS
Nominated adviser and broker	Nomura Code Securities Limited 1 Carey Lane London EC2V 8AE
Legal advisers to the Company	Eversheds LLP One Wood Street London EC2V 7WS
Legal advisers to the nominated adviser and broker	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Auditors	BDO LLP Arcadia House Maritime Walk - Ocean Village Southampton SO14 3TL
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

Letter from the Chairman

Ilika plc

(incorporated in England and Wales under the Companies Act 2006 with registered no. 7187804)

Directors:

Jack Byron Boyer (*Non-Executive Chairman*)
Graeme Purdy (*Chief Executive Officer*)
Stephen John Boydell (*Finance Director*)
Professor Brian Elliott Hayden (*Chief Scientific Officer*)
Clare Mary Joan Spottiswoode (*Non-Executive Director*)
Dr Werner Braun (*Non-Executive Director*)
Professor Sir William Arnot Wakeham (*Non-Executive Director*)

Registered Office:

Kenneth Dibben House
Enterprise Road
University of Southampton
Science Park
Chilworth, Southampton
SO16 7NS

4 April 2012

To Shareholders and, for information purposes only, to the holders of options under the Option Scheme

Proposed Placing and Subscription of 8,909,074 new Ordinary Shares of 1 pence each at the Placing Price of 55 pence per Ordinary Share

Introduction

Your Board announced today that we are proposing to raise £4.9 million before expenses by way of a placing of 8,714,531 new Ordinary Shares with certain new and existing institutional investors and a subscription for 194,543 new Ordinary Shares from certain Directors in each case at a Placing Price of 55 pence per new Ordinary Share. The Placing and Subscription are, *inter alia*, subject to the approval of Shareholders at the General Meeting. The Placing, which is conditional upon, *inter alia*, the Subscription, has been fully underwritten by Nomura Code.

Background and Rationale for the Placing and Subscription

Ilika is an advanced materials company which accelerates the discovery of new and patentable materials using its unique high throughput technologies (HTT) process for identified end uses in the energy, electronics and biomedical sectors. This process enables hundreds of scalable materials to be made in a single, automated operation and to be subsequently tested for key properties. Experiments carried out by the Company can be executed 10 to 100 times faster than using traditional techniques.

The Company's business strategy is to use its HTT process to discover and commercialise novel materials for integration into products with high-value end-markets. In order to ensure a high probability of success, the Company prefers to develop these materials in collaboration with large multinational companies which have the expertise to bring new end products to market in their sectors. These collaborative relationships are referred to as joint development projects, or JDPs. In these relationships, the Company typically works together with its partner to define a scope of work which is designed to yield know-how useful for the development of new products. The Company uses its HTT processes to rapidly make and test candidate materials whilst its partners make a financial contribution towards the cost the Company incurs for this work. The Company and its partners agree to share any commercialisation benefits from the IP they create, either in the form of shared IP or through commercial licensing agreements under which the Company is paid on achieving development milestones or paid royalties on product sales.

Ilika has a portfolio of about 20 blue-chip customers including Shell, Energizer, CeramTec, DSTL, Sigma Aldrich, Asahi Kasei, NXP, Toshiba and Toyota.

The Company has worked with Toyota since 2008 on the development of battery materials, in particular with a view to optimising electrolytes for solid-state batteries which employ a solid electrolyte rather than the liquid electrolyte contained in conventional Lithium ion batteries. Toyota is interested in developing improved batteries for its electric and hybrid vehicles. The next

generation of batteries is targeting increased energy density, faster charge and recharge times as well as improved safety. With their increased thermal stability, simple construction, non-flammable electrolyte and increased energy density, solid state batteries meet many of these requirements. However, until now, making solid state batteries has posed technical challenges including identifying solid electrolytes with sufficiently high ionic conductivities, low electronic conductivity, low mechanical stress resulting from electrochemical cycling and reproducible high yield production methods.

To date, Toyota has invested £2.5 million on battery development through Ilika. As a result of their joint efforts in this field, in 2011 Toyota filed patent applications jointly-held by Toyota and Ilika. Under the terms of their IP sharing agreement with Toyota, each party has the right to commercialise the IP independently, subject to the other party's consent. Toyota and the Company have presented summaries of this technology at international technology symposia in Europe, Japan and the US. In the course of these presentations, the Company has met with representatives from the UK and US military who have shown specific interest in applying Ilika's battery technology for their purposes. Furthermore, these representatives of the UK and US military have confirmed that the expected performance of Ilika's battery technology meets the development requirements for man-portable batteries defined by the UK and US defence forces.

Through its discussions with the UK and US military, the Board understands that troops are being deployed with ever more electronic equipment requiring battery power. On average, a soldier currently carries up to seven different types of battery weighing approximately 10 kg in aggregate. In its vision for military batteries for 2016, the US military has set out a series of objectives as defined by the US Army Research Development and Engineering ("RD&E") Center in Natick, Massachusetts, including: being a wearable, conformal battery that mates with body armour; a doubling of energy density relative to the current standard BA 5590 batteries; a halving of weight; the ability to be re-charged close to the front-line from a portable generator set; and having an "intelligent" energy management controller.

At the request of the Defence Science and Technology Laboratory ("DSTL") (the research arm of the UK's Ministry of Defence) Ilika prepared a feasibility study for further development of Ilika's technology for military purposes. This study was favourably received by DSTL and as a result Ilika is pursuing further collaborations with DSTL.

Estimates of market sizes for rechargeable batteries vary quite significantly (some estimates for the market size in 2010 range from \$6 billion to \$36 billion¹), but indicate that the addressable market is far in excess of the \$1 billion threshold criterion that the Company typically seeks in its selected target markets. The Company estimates the market size for rechargeable batteries in the defence sector in 2015 to be approximately \$2.5 billion.

To address the defence market, the Company's strategy is to develop its materials technology further to the point of an optimised electrochemical cell (a precursor to a battery). This development will be accomplished in three key phases. Phase I will run for approximately 8 months during which the cell design for the battery will be optimised using the Company's existing laboratory facilities. In parallel, in cooperation with an equipment fabricator, the Company will design the device prototyping equipment. The device prototyping equipment will have a similar footprint to the Company's existing equipment, but will have the ability to make larger cells more rapidly than at present. Phase II will take approximately 10 months during which time the Company will build the device prototyping system and also build a multilayer cell architecture (a simple battery). Phase III, which is expected to take approximately 6 months, involves the production of a limited number of prototype batteries using its prototyping equipment and confirmation with end-customers that the batteries meet their requirements. At this point, the Company intends to partner with a suitable manufacturer to integrate the materials into a final product and fully commercialise the technology. The Company would expect to charge a royalty of between 2 to 8 per cent on ultimate product sales by the partner.

There can be no certainty that the Company will successfully develop an optimised electrochemical cell as a precursor to a thin film solid state battery which will be commercialised in the first instance for the military market, for reasons relating, *inter alia*, to the technical development challenges of such a cell, the competitive environment resulting in a superior battery product, or the Company's ability to partner with a manufacturer capable and willing to commercialise successfully the battery. However, the Board is confident that in light of the Company's core

1 Avicenne 2011, Pike Research 2011, Frost and Sullivan 2010, iSupply 2011.

competencies in material optimisation and the experience and progress achieved through working with Toyota, the Company is well placed to execute this strategy and commercially exploit its intellectual property rights in this battery technology. The Board estimates that this development over the three phases described above will require an investment of approximately £4.3 million. The use of these funds is described in more detail below.

Use of Proceeds

The Directors propose to use the net proceeds of the Placing and Subscription, being approximately £4.6 million, as follows:

- £1.8 million for development of the thin film battery technology to the point of a commercially viable prototype battery;
- £1.9 million in capital expenditure including the commissioning of a device prototyping facility;
- £0.6 million to fund technology transfer and initial marketing prior to securing a commercial partner; and
- £0.3 million as general working capital.

Related Party Transaction

IP Group has agreed to subscribe for 1,523,626 Ordinary Shares pursuant to the Placing. As IP Group holds, in aggregate, approximately 18.1 per cent of the issued share capital of the Company as at the date of this document, IP Group is a related party of the Company for the purposes of Rule 13 of the AIM Rules and, accordingly, the subscription by IP Group is a related party transaction.

The Directors consider, having consulted with Nomura Code, the Company's nominated adviser for the purposes of the AIM Rules, that the terms of the subscription by IP Group are fair and reasonable insofar as Shareholders are concerned.

Trading Update

Since the Company's interim results for the 6 months to 31 October 2011 were announced on 10 January 2012, the Company has continued to make good progress with its current partners' projects and has secured a new joint development agreement with Energizer as well as two contract renewals with an existing partner for the development of novel battery materials.

On 13 March 2012, the Company announced its trading update for the period ending 30 April 2012 together with two important contract renewals. As at the date of the trading update, the current level of committed revenues (including grants) was around £2.3 million for the current financial year. This represents a 20 per cent growth in revenues over the previous full year. While the Company anticipates further contracts which could result in potential additional revenues for the year of up to £0.35 million, there remains some uncertainty surrounding the timing and outcome of these contracts. However, due to the flexible cost model within the business, the Company expects EBITDA, operating results and net cash for the year to be in line with market expectations.

The Placing and Subscription

The Company has conditionally raised £4.9 million before expenses through (i) the proposed issue of 8,714,531 Placing Shares at the Placing Price to certain new and existing institutional investors and (ii) the proposed subscription by certain of the Directors for 194,543 Subscription Shares at the Placing Price. In order to broaden Ilika's institutional shareholder base and to minimise the time and transaction costs of the Placing, the Placing Shares are only being offered to a limited number of existing and new institutional shareholders. Neither the Placing Shares nor the Subscription Shares are being made available to the public.

The Placing has been fully underwritten by Nomura Code.

Nomura Code has entered into the Placing Agreement with the Company whereby it has agreed to use its reasonable endeavours, as agent for the Company, to procure placees for the Placing Shares and, to the extent that Nomura Code fails to procure such subscribers for the Placing Shares, it will subscribe for the Placing Shares as principal upon the terms and subject to the conditions of the Placing Agreement. The Placing Agreement is conditional upon, *inter alia*, the Subscription, the Resolutions being duly passed at the General Meeting and Admission becoming

effective on or before 8.00 a.m. on 23 April 2012 (or such later time and date as the Company and Nomura Code may agree, being not later than 8 May 2012).

The Placing Agreement contains certain customary warranties given by the Company in favour of Nomura Code as to, *inter alia*, the accuracy of information contained in this document and a customary indemnity from the Company in favour of Nomura Code. Nomura Code may terminate the Placing Agreement in specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement or of any of the warranties contained in it, where any event or omission relating to the Company is, or will be in the opinion of Nomura Code, materially prejudicial to the successful outcome of the Placing, or where any change in financial, monetary, economic, political or market conditions is, or will be in the opinion of Nomura Code, materially prejudicial to the successful outcome of the Placing.

Jack Boyer, Graeme Purdy, Steve Boydell, Werner Braun and Clare Spottiswoode have committed to subscribe for 90,909, 12,727, 9,909, 36,363 and 45,454 Subscription Shares at the Placing Price, respectively, raising, in aggregate, approximately £0.1 million for the Company. The Subscription is conditional upon, *inter alia*, the Resolutions being duly passed at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 23 April 2012.

Following the Placing and Subscription, existing shareholdings will be diluted by approximately 19.6 per cent.

Settlement and Dealings

Application will be made to the London Stock Exchange for the Placing Shares and Subscription Shares to be admitted to trading on AIM. It is expected that Admission of the Placing Shares and Subscription Shares will become effective and that dealings will commence on 23 April 2012. The Placing Shares and the Subscription Shares will be allotted and issued fully paid and will, on issue, rank *pari passu* with the existing Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of issue together with all rights attaching to them and free from all liens, charges and encumbrances of any kind.

General Meeting

A notice convening a General Meeting, to be held at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS at 10.00 a.m. on 20 April 2012, is set out at the end of this document. At this meeting, the Resolutions will be proposed as set out in the Notice of GM.

Following the passing of the Resolutions referred to above and taking into account the Placing and Subscription Shares being issued, the Directors will have the authority to allot, in aggregate, relevant securities up to a nominal amount of £89,090.74 (other than in respect of a rights issue), representing approximately 19.6 per cent. of the Enlarged Issued Share Capital.

The Directors do not, at present, intend to issue any share capital other than in connection with the Placing and Subscription and, for the purposes of the share option schemes and warrants, the issue of new Ordinary Shares upon the valid exercise of options and warrants.

Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed thereon and to return it by post to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, so as to be received as soon as possible and, in any event, not later than 10.00 a.m. on 18 April 2012. Completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you so wish.

Overseas Shareholders

The distribution of this document and the offer of Placing and Subscription Shares in certain jurisdictions may be restricted by law, and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

The Placing and Subscription Shares have not been and will not be registered under the Securities Act or under the securities laws of any state of the US and, subject to certain exceptions, may not be offered, sold, transferred, taken up or delivered, directly or indirectly, in the US.

Irrevocable undertakings

Jack Byron Boyer who owns approximately 0.7 per cent of the Company's issued ordinary share capital and Nomura International and IP Group who own, in aggregate 34.6 per cent of the Company's issued ordinary share capital have irrevocably undertaken to vote in favour of the Resolutions at the General Meeting in respect of their aggregate holdings.

Importance of voting at the General Meeting

If the Resolutions are not passed, the Placing and Subscription will not complete. In this event the Company would be unable to progress the development of its battery project as described above. Additionally, although the Directors expect the Company to have sufficient working capital for the next 12 months, its cash balances are likely to reach low levels and given the sensitivity of the timing of cash receipts from projects it is likely that the Company would need to scale back some business development activities which would not affect its ability to deliver on its existing projects but may impact the longer term growth prospects of the Company. In order to avoid this, the Company would look to raise additional capital by alternative means in due course.

Recommendation

The Directors consider the terms of the Placing and Subscription to be fair and reasonable insofar as the Shareholders are concerned and in the best interests of the Company and accordingly recommend that you vote in favour of the Resolutions at the General Meeting.

Yours faithfully,

Jack Byron Boyer

Chairman

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Admission”	the admission of the Placing Shares and the Subscription Shares to trading on AIM becoming effective pursuant to Rule 6 of the AIM Rules
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange, as in force at the date of this document
“Company” or “Ilika”	Ilika plc (registered company number 7187804) and whose registered office address is Kenneth Dibben House, Enterprise Road, University of Southampton Science Park, Chilworth, Southampton, SO16 7NS
“CREST”	the Relevant System for the paperless settlement of share transfers and the holding of shares in uncertified form in respect of which Euroclear is the Operator (as defined by the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (as amended) (SI 2001/3755)
“Directors” or the “Board”	the board of directors of the Company
“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company as enlarged following the Placing and Subscription
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Form of Proxy”	the form of proxy for use in connection with the GM accompanying this document
“FSA”	the Financial Services Authority
“GM” or “General Meeting”	the general meeting of the Company to be held at 10.00 a.m. on 20 April 2012 to approve the Resolutions, or any adjournment thereof, notice of which is set out at the end of this document
“Group”	the Company, Ilika Technologies and their subsidiaries
“Ilika Technologies”	Ilika Technologies Limited (registered in England and Wales with company number 5048795), a wholly owned subsidiary of the Company
“IP Group”	IP Group plc
“London Stock Exchange”	London Stock Exchange plc
“Nomura Code”	Nomura Code Securities Limited
“Nomura International”	Nomura International plc
“Notice of GM”	the notice of GM set out at the end of this document
“Option Scheme”	the Ilika plc Executive Share Option Scheme 2010
“Ordinary Shares”	ordinary shares of 1 pence each in the Company
“Placing”	the placing of the Placing Shares to existing and new institutional investors at the Placing Price
“Placing Agreement”	the conditional agreement dated 4 April 2012, pursuant to which Nomura Code has agreed with the Company to use its reasonable endeavours to procure subscribers for the Placing Shares, failing which, it shall subscribe for the Placing Shares as principal
“Placing and Subscription”	the Placing and the Subscription
“Placing and Subscription Shares”	the Placing Shares and the Subscription Shares
“Placing Price”	55 pence per Placing Share or Subscription Share

“Placing Shares”	the 8,714,531 new Ordinary Shares to be issued to places pursuant to the Placing
“£” and “p”	respectively pounds and pence sterling, the lawful currency of the United Kingdom
“Prospectus Rules”	the Prospectus Rules published by the FSA
“Regulatory Information Service”	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements
“Relevant System”	has the meaning given in the CREST Regulations
“Resolutions”	the resolutions to be proposed at the GM, as set out in the Notice of GM
“Restricted Jurisdictions”	Australia, New Zealand, USA, Canada, the Republic of South Africa and Japan or any other jurisdiction where local laws and/or regulations may result in a significant risk of civil, regulatory or criminal exposure, or would result in a requirement to comply with any governmental or other consent or any registration, filing of other formality which the Company regards as unduly onerous
“Shareholders”	holders of Ordinary Shares
“Subscription”	the subscription for the Subscription Shares by certain directors of the Company
“Subscription Shares”	the 194,543 new Ordinary Shares to be issued to certain directors of the Company who have agreed to subscribe for them
“US” or “USA” or “United States of America”	the United States of America, each state thereof, its territories and possessions, and all areas subject to its jurisdiction

Notice of General Meeting

Notice is hereby given that a general meeting of Ilika plc (the "Company") will be held at 10.00 a.m. on 20 April 2012 at the offices of Eversheds LLP at One Wood Street, London EC2V 7WS for the purposes of considering and, if thought fit, passing the following resolutions. Resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution.

ORDINARY RESOLUTION

1. That, pursuant to section 551 of the Companies Act 2006 ("Act"), the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £89,090.74 in connection with the Placing and Subscription (as defined in the circular of which this notice forms part), provided that (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date which is fifteen months from the date of this resolution (whichever is the earlier), save that the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired. This authority is in addition to, and not in substitution of, all existing authorities under section 551 of the Act.

SPECIAL RESOLUTION

2. That, subject to the passing of resolution 1, pursuant to section 571 of the Act, the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority granted by resolution 1 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £89,090.74 in connection with the Placing and Subscription (as defined in the circular of which this notice forms part) and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date which is fifteen months from the date of this resolution (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired. This power is in addition to, and not in substitution of, all existing powers under section 570 of the Act.

By order of the board

Stephen Boydell

4 April 2012

Registered office: Kenneth Dibben House, Enterprise Road, University of Southampton Science Park, Chilworth, Southampton SO16 7NS

Registered in England and Wales No. 7187804

Notes

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Proxies

2. A Shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

A Shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the Shareholder may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in notes 3 and 4 below and the notes to the proxy form.

The appointment of a proxy will not preclude a Shareholder from attending and voting in person at the meeting.

3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar on 0870 707 1898 (calls cost 10p per minute plus network extras) or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE no later than 10.00 a.m. on 18 April 2012 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

4. CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC (ID 3RA50) no later than 10.00 a.m. on 18 April 2012 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

5. A Shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual Shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

